GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:6189
ANSWERED ON:27.04.2001
GROWTH IN CEMENT INDUSTRY
GANGASANDRA SIDDAPPA BASAVARAJ;VIRENDRA KUMAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the cement industry has registered a negative growth of 1.5 per cent during the year 2000-2001;

(b) if so, the main reasons therefor, alongwith the total cement production during the last three years, yearwise;

(c) whether the Cement Manufacturers Association is aiming at achieving of 5.6% growth during 2001-02;

(d) if so, the steps being considered by Government to achieve the growth;

(e) whether the cement industry has urged the Government to rationalise tax and duty structure; and

(f) if so, the details thereof and the response of the Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a): Cement industry has registered negative growth rate of 0.84% during 2000-01.

(b) The reasons are:

(i) Sluggish demand in the market;

(ii) Drought conditions in different parts of the country.

(c) Cement Manufacturers` Association has projected growth of 7.8% during 2001-02.

(d) To encourage growth in infrastructure areas and housing, which would boost cement demand, the Government had already instituted several incentives like 10 years tax holiday on investment in infrastructure areas and tax concessions on housing loans and others.

Government is also providing infrastructural support to cement industry to maximise cement production. Rail wagons are provided to cement plants on priority basis to supply cement to deficit areas.

(e) In the Pre-Budget memorandum submitted in November, 2000, Cement Manufacturers Associationhas submitted several requests regarding taxes and levies.

(f) The proposals have been examined and recommendations sent to concerned authorities.